



PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: SCHUTZER, Daniel
Application No. 09/640,037
Filed: August 16, 2000
For: **SYSTEM AND METHOD FOR USE OF
DISTRIBUTED ELECTRONIC WALLETS**
Group Art Unit: 3621
Examiner: Greene, Daniel L.

APPEAL BRIEF

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Commissioner of Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This is an Appeal Brief under 37 C.F.R. § 1.192 in connection with decision of the Examiner mailed on September 24, 2003. Each of the topics required by 37 C.F.R. § 1.192 is presented herewith and is labeled appropriately.

(1) Real Party In Interest

The real party in interest is Citibank, N.A.

(2) Related Appeals And Interferences

There are no other appeals or interferences related to this case.

(3) Status Of Claims

Claims 1-12, 14, 16-36, 38, and 40-44 are pending and all have been rejected.

Claims 13, 15, 37, and 39 have been cancelled.

No claims have been allowed.

Claims 1-12, 14, 16-36, 38, and 40-44 are hereby appealed.

(4) Status of Amendments

There are no amendments after final rejection.

(5) Summary Of The Invention

The invention involves methods and systems for carrying out transactions on the Internet using distributed electronic wallets in which a first electronic wallet associated with a merchant is presented upon receipt of an indication that an Internet user wishes to finalize a transaction with the web merchant. Thereafter, updated consumer information is automatically received in the first electronic wallet from a second electronic wallet associated with the Internet user. See, e.g., Spec., p. 4, lines 24-30.

The first and second wallets can communicate, for example, via screen scraping, whereby a wallet learns the format presented and creates a template indicating data placement, such as user identification and password, IP address, cookie information, or other authenticated information required to access the screen or wallet. Alternatively, the first and second wallets can communicate via a standard data feed or message protocol standard, such as Electronic Commerce Modeling Language (ECML), Open Financial Exchange (OFX), or Interactive Financial Exchange (IFX) standards. The first and second wallets can also communicate via an exchange of files between wallets. See, e.g., Spec., p. 4, line 30-p. 5, line 8.

The first electronic wallet (i.e., the Web merchant's wallet) can reside on a web server associated with the merchant, and the second electronic wallet (i.e., the consumer's wallet) can reside on a PC associated with the Internet user (e.g., in the form of a wallet application residing on the user's PC), on a Web server associated

with a third party, in a telephone, or in a personal digital assistant. See, e.g., Spec., p. 5, lines 9-16.

Other aspects of the invention involve identifying the Internet user, accessing stored consumer data associated with the Internet user previously provided by the Internet user and stored in a database associated with the merchant Web site, and using the stored consumer data to populate the first electronic wallet. The second electronic wallet then examines the populated data of the first electronic wallet and provides updated consumer information (e.g., address or credit card number changes) to the appropriate fields in the first electronic wallet. See, e.g., Spec., p. 5, lines 16-24.

In an additional aspect, the consumer wallet can request payment for a transaction by a financial payment engine to the merchant. In this aspect, in which the consumer's electronic wallet communicates with the Web merchant's wallet, the consumer registers with the Web merchant's electronic wallet and provides consumer information (e.g., credit card number, mailing address, and other information) to the merchant's wallet, which is stored by the merchant's wallet in a database on the merchant's server. The consumer maintains current consumer information in the consumer's electronic wallet on the consumer's PC, and when the consumer visits the merchant's Web site again, the merchant provides the merchant's wallet showing the consumer information previously provided by the consumer. The consumer's wallet examines the information in the merchant's wallet to determine if the information in the merchant's wallet conforms to the current information in the consumer's wallet, and if not, the consumer's wallet communicates the current consumer information to the merchant's wallet by wallet-to-wallet. See, e.g., Spec., p. 5, line 25-p. 6, line 10.

(6) Issues

a) Whether the Examiner's rejection of claims 1-15, 20-39, and 44 under 35 U.S.C. § 103(a) as being unpatentable over Mitra et al. (U.S. 20010014878) in view of Paltenghe et al. (U.S. 20010011250) is proper.

b) Whether the Examiner's rejection of claims 16-19 and 40-43 under 35 U.S.C. 103(a) as being unpatentable over Mitra et al. (U.S. 20010014878) and Paltenghe et al. (U.S. 20010011250) and in further view of Kawan (U.S. 5,796,832) is proper.

(7) Grouping of Claims

Claims 1-12, 14, 16-36, 38, and 40-44 are arranged into the groups listed below. Claims within a group stand and fall together. Groups of claims, however, do not stand or fall together with other groups of claims.

| GROUP | CLAIMS |
|-------|---------------------|
| I | 1-15, 20-39, and 44 |
| II | 16-19 and 40-43 |

(8) Argument

**The Combination of Mitra and Paltenghe to Reject
Claims 1-15, 20-39, and 44 Is Improper**

Independent claims 1 and 25, respectively, propose a method and system for carrying out transactions on the Internet using distributed electronic wallets, in which, upon receiving an indication via a Web server that an Internet user wishes to finalize a transaction with a Web merchant, a first electronic wallet associated with the Web merchant pre-populated with consumer information of the Internet user provided on a preceding occasion is presented via the Web server. A second electronic wallet associated with the Internet user then compares the consumer information pre-populated in the first electronic wallet with consumer information for the Internet user pre-populated in the second electronic wallet, and if the second electronic wallet identifies at least one aspect of the consumer information pre-populated in the first electronic wallet that is different from a corresponding aspect of the consumer

information pre-populated in the second electronic wallet, that aspect is replaced via the Web server with the corresponding aspect from the second electronic wallet associated with the Internet user.

Independent claim 21 proposes a method of carrying out transactions on the Internet using distributed electronic wallets which involves identifying an Internet consumer who accesses a Web site of a merchant via a Web server and accessing data associated with the consumer via the Web server that was previously provided by the Internet consumer and stored in a database. Thereafter, when an indication is received via the Web server that the Internet consumer wishes to finalize payment for a transaction at the Web site, a first electronic wallet populated with the data associated with the consumer is presented via the Web server. A second electronic wallet on the consumer's computer then compares the data populated in the first electronic wallet with data for the Internet consumer pre-populated in the second electronic wallet, and if the second electronic wallet identifies one or more aspects of the data in the first wallet that is different from one or more corresponding aspects of the data in the second wallet, those identified aspects in the first wallet are replaced with the corresponding aspects from the second wallet via the Web server.

The Examiner considers that Mitra teaches all of the elements of independent claims 1, 21, and 25 except an electronic wallet, which the Examiner considers to be taught by Paltenghe. It is true that Mitra teaches a payment system without reference to electronic wallets. In the Mitra payment system, the buyer opens a credit account with a billing service that issues a payment token to the buyer for use in transactions with sellers. See, e.g., Mitra, par. 0006. The purchase token contains billing service ID, issue and expiration dates, and encrypted buyer information. See, e.g., Mitra, par. 0029 and Fig. 5. According to Mitra, the buyer indicates to the seller when he/she wants to make a purchase from the seller by filling in a form on the seller's Web site. See, e.g., Mitra, par. 0041. The buyer also sends a copy of the purchase token to the seller, which then contacts the billing service for approval, which in turn compares the purchase amount with the amount in the buyer's account, and if sufficient, issues an authorizing token to

the seller. See, e.g., Mitra, pars. 0006 and 0007. The authorizing token contains billing service ID, buyer, seller and purchase information, and expiration date. See, e.g., Mitra, par. 0033 and Fig. 3. The seller then sends the authorizing token and an invoice to the billing service, which pays the invoice from the buyer's account. See, e.g., Mitra, pars. 0006 and 0009.

Further according to Mitra, the seller can store a cookie on the buyer's PC browser to identify the buyer to the seller in future transactions with the same seller to eliminate interaction with the billing service. See, e.g., Mitra, par. 0008; pars. 0046-0048. The seller's cookie contains the seller's ID, the authorizing token, and the buyer's balance, monthly payment, credit balance, credit limit and credit rating, and the seller can retrieve and update its cookie each time the buyer enters into a transaction with the seller. See, e.g., Mitra, par. 0061.

As noted, the Examiner considers that Mitra teaches all of the elements of independent claims 1, 21, and 25 except an electronic wallet. It is true that Mitra teaches receiving an indication from the buyer that the buyer wants to make a purchase, which is done by the buyer filling in the form on the seller's Web site and sending the seller a copy of the purchase token. The Examiner considers further that Mitra teaches that the billing service and the seller continuously check and maintain current information regarding the customer. It is also true that Mitra teaches storing a seller's cookie on the buyer's PC browser that contains the seller's ID, the authorizing token, and the buyer's balance, monthly payment, credit balance, credit limit and credit rating, which the seller can retrieve and update each time the buyer performs a transaction with the seller's Web site. However, there is no teaching or suggestion in Mitra of presenting a first electronic wallet associated with the Web merchant pre-populated with consumer information provided on a preceding occasion, comparing the consumer information in the first electronic wallet by a second electronic wallet associated with the Internet user with consumer information pre-populated in the second electronic wallet, and if the second electronic wallet identifies one or more aspects of the consumer information pre-populated in the first electronic wallet that is

different from a corresponding aspect of the consumer information pre-populated in the second electronic wallet, replacing that aspect via the Web server with the corresponding aspect from the second electronic wallet associated with the Internet user, as recited in claims 1, 21, and 25.

On the contrary, according to Mitra, the seller can include the authorizing token received from the billing service in the seller's cookie, which the seller can then store on the buyer's browser for later retrieval and update by the seller from time-to-time when the buyer logs on the seller's Web site. However, there is no hint of teaching or suggestion in Mitra of continuously checking and maintaining current information regarding the customer by the billing service and the seller. Rather, Mitra represents exactly the kind of conventional payment system described in the "Background" section of the Application, in which the seller stores information in a single entity (i.e. a cookie), sends it to the buyer's browser, and later retrieves it through the seller's Web site, and in which the information stored by the seller eventually becomes old and invalid unless the seller asks for and receives new information from the buyer and then updates its cookie with the new information. See, e.g., Application, p. 1, line 15-p. 4, line 21.

Paltenghe does not cure the deficiencies of Mitra et al. It is true that Paltenghe teaches the well-known electronic wallet function of storing information for a party to use in transactions to avoid re-entering the information at the time of each transaction. Likewise, however, there is no teaching or suggestion in Paltenghe of presenting a first electronic wallet associated with the Web merchant pre-populated with consumer information provided on a preceding occasion, comparing the consumer information in the first electronic wallet by a second electronic wallet associated with the Internet user with consumer information pre-populated in the second electronic wallet, and if the second electronic wallet identifies one or more aspects of the consumer information pre-populated in the first electronic wallet that is different from a corresponding aspect of the consumer information pre-populated in the second electronic wallet, replacing that aspect via the Web server with the corresponding

aspect from the second electronic wallet associated with the Internet user, as recited in claims 1, 21, and 25.

On the contrary, Paltenghe likewise discusses use of a single entity (i.e., an electronic wallet) running on a pocket device, such as a smart card, actually carried around by a user in his or her pocket that stores user ID and credit card numbers to interface directly with merchant devices in place of money and credit cards. See, e.g. Paltenghe, par. 0045; pars. 0074-0076; and Fig. 13. The Examiner considers that Paltenghe teaches that the “electronic wallet” as recited in claims 1, 21, and 25 is limited to a virtual container of information resident on the user’s computer to provide and receive information. There is not such limitation recited, and on the contrary, some electronic wallets are associated with merchants, as clearly recited in claims 1, 21, and 25, and others are associated with consumers, as likewise clearly recited in claims 1, 21, and 25. See, e.g., Application, p. 1, line 15-p. 4, line 21.

Both Mitra and Paltenghe propose a single entity (i.e., a cookie and a wallet, respectively) that operates between a merchant and a consumer. In Mitra, the single entity (i.e., the cookie) is in the middle between the merchant and the consumer and used exclusively by the merchant, and in Paltenghe, the single entity (i.e., the electronic wallet) is in the middle between the merchant (i.e., the POS device) and the consumer and used by both the merchant and the consumer. In Mitra, the consumer may, if asked, furnish information to the merchant from time-to-time through the merchant’s Web site, which the merchant stores in its cookie for future reference. In Paltenghe, however, the consumer stores the information in the consumer’s electronic wallet, and the consumer’s electronic wallet communicates that information to the merchant when and if the buyer elects to perform a transaction, for example., through the merchant’s POS terminal.

While Mitra teaches a transaction in which the seller is allowed to maintain information about the buyer (albeit in a seller’s cookie), the information stored by the seller eventually becomes old and invalid unless the seller asks for and receives new

information from the buyer and then updates its cookie with the new information. On the other hand, Paltenghe proposes a POS transaction using a buyer's electronic wallet, and neither reference teaches or suggests a transaction using both an electronic wallet associated with a Web merchant and a second electronic wallet associated with a consumer, as recited in claims 1, 21, and 25.

Mitra nor Paltenghe, either alone or in combination with one another, do not disclose, nor even suggest, the required combinations of limitations proposing (a) a first electronic wallet associated with the Web merchant pre-populated with consumer information, (b) a second electronic wallet associated with the Internet user, (c) that compares the consumer information in the first electronic wallet with consumer information pre-populated in the second electronic wallet, and (d) replaces aspects of the information in the first electronic wallet that is different from corresponding aspects of the information in the second electronic wallet with the corresponding aspects in the second electronic wallet, as recited in claims 1, 21, and 25.

Because the cited references, either alone or in combination, do not teach the limitations of independent claims 1, 21, and 25, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03. Similarly, the Examiner has failed to establish a *prima facie* case of unpatentability for claims 1-15 and 20 that depend on claim 1, claims 22-24 that depend on claim 21, and/or claims 26-39 and 44 that depend on claim 25, and which recite further specific elements that have no reasonable correspondence to the references.

**The Combination of Mitra, Paltenghe, and Kawan to
Reject Claims 16-19 and 40-43 Is Improper**

Claims 16-19 and claims 40-43 propose that the second wallet associated with the Internet user is a PDA or a telephone.

As noted above, the Examiner has failed to establish the required *prima facie* case of unpatentability of independent claims 1 and 25 and similarly has failed to establish a *prima facie* case of unpatentability for claims 16-19 that depend on claim 1 and/or claims 40-43 that depend on claim 25, and which recite further specific elements that have no reasonable correspondence to the references.

Kawan does not remedy the deficiencies of Mitra and/or Paltenghe. It is true that Kawan discusses a system that uses portable terminals with keypads and displays, which the Examiner interprets to be a PDA, that can be connected to a financial institution via a wireless telephone hook-up and read smart card data to verify authorizations and maintain records. See, e.g., Kawan, Col. 6, lines 4-12. However, there is no teaching or suggestion in Kawan of a second wallet consisting of a PDA or telephone associated with the Internet user that compares the consumer information in the first electronic wallet with consumer information pre-populated in the second wallet and replaces aspects of the information in the first wallet that is different from corresponding aspects of the information in the second wallet with the corresponding aspects in the second wallet, as recited in claims 16-19 and 40-43.

Consequently, Mitra, Paltenghe, and/or Kawan, either alone or in combination with one another, do not disclose, nor even suggest the required combinations of limitations recited in claims 16-19 and 40-43. Because the cited references, either alone or in combination, do not teach the limitations of claims 16-19 and 40-43, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03.

(9) Conclusion

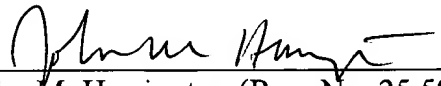
For at least the reasons given above, the rejections of claims 1-12, 14, 16-36, 38, and 40-44 are improper. Applicant respectfully requests the final rejection by the

Examiner be reversed and claims 1-12, 14, 16-36, 38, and 40-44 be allowed. Attached below is an Appendix of claims 1-12, 14, 16-36, 38, and 40-44 for ease of reference.

This brief is being submitted in triplicate.

Respectfully submitted,

Date: 9/24/04

By: 
John M. Harrington (Reg. No. 25,592)
For George T. Marcou (Reg. No. 33,014)

KILPATRICK STOCKTON LLP
607 14th Street, NW, Suite 900
Washington, DC 20005
(202) 508-5800

APPENDIX - Claims

Claim 1 A method of carrying out transactions on the internet using distributed electronic wallets, comprising:

receiving via a web server an indication that an internet user wishes to finalize a transaction with a web merchant;

presenting via the web server a first electronic wallet associated with the web merchant pre-populated with consumer information of the internet user provided on a preceding occasion;

comparing by a second electronic wallet associated with the internet user the consumer information pre-populated in the first electronic wallet with consumer information for the internet user pre-populated in the second electronic wallet; and

if the second electronic wallet identifies at least one aspect of the consumer information pre-populated in the first electronic wallet that is different from a corresponding aspect of the consumer information pre-populated in the second electronic wallet, replacing via the web server said aspect of the consumer information in the first electronic wallet with said corresponding aspect of the consumer information from the second electronic wallet associated with the internet user.

Claim 2 The method of claim 1 wherein the first electronic wallet resides on a web server associated with the merchant.

Claim 3 The method of claim 2 wherein the second electronic wallet resides on a personal computer associated with the internet user.

Claim 4 The method of claim 2 wherein the second electronic wallet resides on the web server.

Claim 5 The method of claim 4 wherein the web server is associated with a third party.

Claim 6 The method of claim 3 wherein the second electronic wallet comprises an application residing on the personal computer.

Claim 7 The method of claim 3 wherein the first electronic wallet comprises an electronic wallet of a third party.

Claim 8 The method of claim 3 wherein the first electronic wallet comprises an electronic wallet of the merchant.

Claim 9 The method of claim 3 further comprising identifying the internet user.

Claim 10 The method of claim 9 wherein the step of identifying the internet user comprises accessing a cookie present in the personal computer.

Claim 11 The method of claim 3 9 wherein the step of identifying the internet user comprises receiving a user name and password associated with the internet user.

Claim 12 The method of claim 9 further comprising accessing stored consumer data associated with the internet user previously provided by the internet user.

Claim 14 The method of claim 12 further comprising populating the first electronic wallet with the stored consumer data.

Claim 16 The method of claim 3 wherein the second electronic wallet comprises a personal digital assistant.

Claim 17 The method of claim 3 wherein the second electronic wallet comprises a telephone.

Claim 18 The method of claim 17 wherein the telephone comprises a portable telephone.

Claim 19 The method of claim 18 wherein the portable telephone comprises a cellular telephone.

Claim 20 The method of claim 3 further comprising communicating a request for payment from a financial payment engine.

Claim 21 A method of carrying out transactions on the internet using distributed electronic wallets, comprising:

identifying an internet consumer accessing a web site of a merchant via a web server;

accessing via the web server consumer data associated with the internet consumer previously provided by the internet consumer and stored in a database;

receiving an indication via the web server that the internet consumer wishes to finalize payment associated with a web site transaction at the web site of the merchant;

presenting via the web server a first electronic wallet having the consumer data associated with the internet consumer populated in the first electronic wallet;

comparing by a second electronic wallet associated with the internet consumer the consumer data populated in the first electronic wallet with consumer data for the internet consumer pre-populated in the second electronic wallet; and

if the second electronic wallet identifies at least one aspect of the consumer data populated in the first electronic wallet that is different from a corresponding aspect of the consumer data pre-populated in the second electronic wallet, replacing via the web server said aspect of the consumer data in the first electronic wallet with said corresponding aspect of the consumer data from a the second electronic wallet, wherein the second electronic wallet comprises an electronic wallet on the consumer's computer.

Claim 22 The method of claim 21 wherein the first electronic wallet comprises a an electronic wallet of a third party accepted by the merchant.

Claim 23 The method of claim 21 wherein the first electronic wallet comprises an electronic wallet of the merchant.

Claim 24 The method of claim 21 further comprising communicating a request for payment from a financial payment engine.

Claim 25 A system for carrying out transactions on the internet using distributed electronic wallets, comprising:

a web server adapted for receiving an indication that an internet user wishes to finalize a transaction with a web merchant;

wherein said web server is further adapted for presenting a first electronic wallet associated with the web merchant pre-populated with consumer information of the internet user provided on a preceding occasion; and

a second electronic wallet associated with the internet user pre-programmed for comparing the consumer information pre-populated in the first electronic wallet with consumer information for the internet user pre-populated in the second electronic wallet, and if the second electronic wallet identifies at least one aspect of the consumer information pre-populated in the first electronic wallet that is different from a corresponding aspect of the consumer information pre-populated in the second electronic wallet, for replacing via the web server said aspect of the consumer information in the first electronic wallet with said corresponding aspect of the consumer information from a the second electronic wallet associated with the internet user.

Claim 26 The system of claim 25 wherein the first electronic wallet resides on a web server associated with the merchant.

Claim 27 The system of claim 26 wherein the second electronic wallet resides on a personal computer associated with the internet user.

Claim 28 The system of claim 26 wherein the second electronic wallet resides on the web server.

Claim 29 The system of claim 28 wherein the web server is associated with a third party.

Claim 30 The system of claim 27 wherein the second electronic wallet comprises an application residing on the personal computer.

Claim 31 The system of claim 26 wherein the first electronic wallet comprises an electronic wallet of a third party.

Claim 32 The system of claim 26 wherein the first electronic wallet comprises an electronic wallet of the merchant.

Claim 33 The system of claim 27 further comprising means for identifying the internet user.

Claim 34 The system of claim 27 wherein the means for identifying the internet user comprises means for accessing a cookie present in the personal computer.

Claim 35 The system of claim 27 wherein the means for identifying the internet user comprises means for receiving a user name and password associated with the internet user.

Claim 36 The system of claim 33 further comprising means for accessing stored consumer data associated with the internet user previously provided by the internet user.

Claim 38 The system of claim 36 further comprising means for populating the first electronic wallet with the stored consumer data.

Claim 40 The system of claim 27 wherein the second electronic wallet comprises a personal digital assistant.

Claim 41 The system of claim 27 wherein the second electronic wallet comprises a telephone.

Claim 42 The system of claim 41 wherein the telephone comprises a portable telephone.

Claim 43 The system of claim 42 wherein the portable telephone comprises a cellular telephone.

Claim 44 The system of claim 27 further comprising means for communicating a request for payment from a financial payment engine.



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Catherine A. Johnson